

Fiscal Estimate - 2009 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 09-1600/1		Introduction Number AB-0065	
Description public financing of campaigns for the office of justice of the supreme court, making appropriations, and providing penalties.			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.855(4)(b), s. 20.855(4)(ba)			
Agency/Prepared By		Authorized Signature	
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	
		Date	
		2/24/2009	

Fiscal Estimate Narratives

DOR 2/24/2009

LRB Number	09-1600/1	Introduction Number	AB-0065	Estimate Type	Original
Description public financing of campaigns for the office of justice of the supreme court, making appropriations, and providing penalties.					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Wisconsin election campaign fund (WECF) is financed through designations made by taxpayers on their individual income tax forms. Every individual filing an income tax return, whether receiving a refund or possessing a tax liability, may designate \$1 of general purpose revenue for transfer to the WECF. Individuals filing a joint return may each separately choose to designate \$1 for transfer to the fund. All moneys transferred to the fund are placed in accounts for specified state offices (including justice of the supreme court), and candidates for those offices may qualify for grants from the fund to be used for specified campaign expenses. No moneys in the fund may be used for any other purpose.

This bill excludes candidates for justice of the supreme court from receiving funds from the WECF, but also creates the democracy trust fund (DTF) specifically for financing elections for justice of the supreme court. The bill changes the individual income tax designation amount for the WECF from \$1 to \$3 and stipulates that designated amounts are allocated between the WECF (one-third) and the DTF (two-thirds).

Based on WECF checkoff donations made on 2007 returns, approximately 202,000 taxpayers designated the \$1 transfer under current law. Assuming the same number of taxpayers would designate the \$3 transfer, total designations would increase by approximately \$404,000 (202,000 x \$2). Under the allocation formula in the bill, the WECF is expected to receive the same total allocation as under current law, while the DTF is expected to be allocated the full increase of \$404,000. This will decrease general program revenue by \$404,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$	\$	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$-404,000	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (20.855(4)(b), (ba))	404,000		
TOTAL State Revenues	\$404,000	\$-404,000	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$0	\$	
Agency/Prepared By	Authorized Signature	Date	
DOR/ Bradley Caruth (608) 261-8984	Rebecca Boldt (608) 266-6785	2/24/2009	

Fiscal Estimate Narratives

GAB 4/12/2009

LRB Number	09-1600/1	Introduction Number	AB-0065	Estimate Type	Original
Description public financing of campaigns for the office of justice of the supreme court, making appropriations, and providing penalties.					

Assumptions Used in Arriving at Fiscal Estimate

This legislation establishes a means of providing public funds for candidates for Supreme Court Justice in primary and general election campaigns through the democracy trust fund, a segregated fund established by the legislation. The legislation establishes detailed criteria for qualifying for publicly funded grants from the fund. It also establishes a series of matching grants if a qualified candidate accepting a grant is opposed by a non-qualifying candidate or if the qualifying candidate is targeted by a significant amount of independent expenditures.

These detailed criteria will require the dedication of the equivalent of a full time resource to monitor compliance and ensure that all disbursements are timely distributed. The individual assigned to this project will have to audit reports, including special reports mandated by the legislation and direct the State Treasurer to make the proper disbursements in a timely manner. The work would be full time from January of an election for Supreme Court Justice through the following August. In addition, significant time would be dedicated to monitoring reports and determining eligibility from July preceding an election for Supreme Court Justice through December before the election.

Currently the agency has three full-time staff dedicated to auditing all campaign finance reports to ensure compliance with existing regulations. This function has been understaffed for more than a decade as campaign receipts and expenditures have skyrocketed. The addition of a full-time campaign auditor will ensure that the requirements of the legislation are met and enable the agency address a backlog of audits.

An additional campaign auditor will cost approximately \$35,000 in salary, \$14,000 in fringe and \$4,000 in support costs annually. In addition there would be one-time set up costs of \$5,000 for the position.

The democracy trust fund would require an infusion of as much as \$2,800,000 in a contested election for Supreme Court Justice. Each qualifying candidate would be eligible for up to \$100,000 in campaign grants for the primary and \$300,000 in campaign grants for the election. If there are three qualifying candidates in the primary and two in the election the total amount of funding required would not exceed \$900,000.

However, if a qualifying candidate is opposed by non-qualifying candidates who exceed the spending limit by more than the amount of the grant, the qualifying candidate could receive an additional \$300,000 in the primary and \$900,000 in the election. If the qualifying candidate is targeted by independent expenditures that exceed the spending limit, the qualifying candidate could receive as much as an additional \$300,000 in the primary and \$900,000 in the election.

Long-Range Fiscal Implications

Historically only a small number of elections for Supreme Court Justice are contested in a 10 year period. This has changed in recent years. The incentives in the legislation could lead to an increased number of contested Supreme Court races and keep spending to a scenario in which all candidates qualify for public funds. This would increase the administrative impact on agency staff to track qualification for and adherence with the detailed fundraising and reporting requirements, and would increase the potential outlay from the democracy trust fund.

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Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.536		Affected Ch. 20 Appropriations	
Agency/Prepared By INV/ Sandy Drew (608) 261-0182		Authorized Signature Sandy Drew (608) 261-0182	
		Date 2/21/2009	

Fiscal Estimate Narratives

INV 2/21/2009

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Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 65 would create the Democracy Trust Fund, which would be used to finance campaigns for Supreme Court candidates. The fund would be financed through individual income tax checkoffs. SWIB will invest the assets of the fund through the State Investment Fund (SIF). Adding another fund to the SIF will have no fiscal impact on the agency as all investment costs are charged back to the funds on a pro-rated basis.

Long-Range Fiscal Implications

None